



Notice of Availability of State, Local, and Tribal Allocation Formulas for the Energy Efficiency and Conservation Block Grant Program

AGENCY: Office of Energy Efficiency and Renewable Energy, Department of Energy.

ACTION: Notice of availability.

SUMMARY: The Department of Energy (DOE or the Department) is publishing three allocation formulas that will be used to distribute funds to local governments, states, and Indian tribes through the Energy Efficiency and Conservation Block Grant Program (EECBG Program or Program), as required by the Program's authorizing legislation, Title V, Subtitle E of the Energy Independence and Security Act of 2007. The purpose of the EECBG Program is to assist eligible entities in implementing strategies to reduce fossil fuel emissions, to reduce total energy use, and to improve energy efficiency. This notice provides the allocation formulas established by the Department to distribute funds to eligible entities.

FOR FURTHER INFORMATION CONTACT: Mr. Adam Guzzo, U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Weatherization and Intergovernmental Programs Office, EE-5W, 1000 Independence Avenue, SW., Washington, DC, 20585-0121. Telephone: (202) 287-1585. Email: eecbg@hq.doe.gov. *Electronic communications are recommended for correspondence.*

SUPPLEMENTARY INFORMATION:

I. Introduction

DOE is publishing the formulas for allocating EECBG Program funding to eligible units of local government, states, and Indian tribes as required by section 543(e) of the Program's authorizing legislation, Title V, Subtitle E of the Energy Independence and Security Act of 2007 (EISA), as amended.¹ Through section 40552(b) of the Infrastructure Investment and Jobs Act of 2021 (IIJA), Pub. L. 117–58, Congress appropriated \$550 million to the EECBG Program for fiscal year 2022, to remain available until expended.

¹ 42 U.S.C. 17153(e).

The EECBG Program provides Federal grants to states, units of local government, and Indian tribes to assist eligible entities in implementing strategies to reduce fossil fuel emissions, to reduce total energy use, and to improve energy efficiency.² Of the amounts appropriated by IIJA, DOE will allocate funds as prescribed in section 543 of EISA:

- 34% to eligible units of local government-alternative 1 through formula grants;
- 34% to eligible units of local government-alternative 2 through formula grants;
- 28% to states through formula grants;
- 2% to Indian tribes through formula grants; and
- 2% for competitive grants to ineligible local governments and Indian tribes.³

This notice describes the three allocation formulas that DOE will use when issuing funds to eligible local governments, states, and Indian tribes. The allocation formulas described in this notice take into consideration feedback provided by state and local governments during DOE hosted listening sessions in 2022, as well as feedback from Indian tribes during a Tribal Consultation DOE hosted in 2022. In addition, DOE established the allocation formulas in alignment with the allocation formulas DOE used for the EECBG Program previously under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, to the extent practicable. Appendices A-C of this notice provide the mathematical formulas and data sources used by DOE when developing the local government, state, and Tribal allocation formulas.

II. EECBG Local Government Allocation Formula

The EECBG Program provides grants to local governments in two allocations as outlined in section 541(3) of EISA.⁴ The term “‘eligible unit of local government-alternative 1’” (Local Government-Alternative 1) means— (1) A city with a population— of at least 35,000; or that causes the city to be 1 of the 10 highest populated cities of the state in which the city is located; and (2) A county

² 42 U.S.C. 17152.

³ 42 U.S.C. 17153(a).

⁴ 42 U.S.C. 17151(3).

with a population— of at least 200,000; or that causes the county to be 1 of the 10 highest populated counties of the state in which the county is located.⁵ The term “eligible unit of local government-alternative 2” (Local Government-Alternative 2) means— (1) A city with a population of at least 50,000; or (2) A county with a population of at least 200,000.⁶ Cities and counties eligible to receive an allocation under the definition Local Government-Alternative 2 are also eligible to receive an allocation under the definition Local Government-Alternative 1. 74 FR 17461, 17463 (Apr. 15, 2009).

Formula Factors. Section 543(b) of EISA directs DOE to establish a formula to distribute grant funding to eligible units of local government according to the following factors: (1)The population served by the local government, according to the latest available decennial census; and (2) the daytime population of the local government, and other similar factors determined by DOE (section 543(b)).⁷ As utilized previously under ARRA, the local government allocation formula established by DOE for the EECBG Program uses the following two weighted factors: the population served by the local government weighted at 70.25%; and the daytime population of the local government weighted at 29.75%. 74 FR 17461, 17463.

Funding Allocation Design: Local Government-Alternative 1—34%. Local governments eligible under the definition Local Government-Alternative 1 receive 34% of the grant funding available through section 40552(b) of the IIJA. The formula sets a minimum level of funding at \$75,000. The formula allocates \$75,000 to each eligible local government and then distributes the remaining funds on a pro rata basis via the weighted factors set in the formula.

Funding Allocation Design: Local Government-Alternative 2—34%. Another 34% of the available grant funding is allocated to the subset of local governments that are eligible under the definition of Local Government-Alternative 2. There is no minimum level of funding for this formula. All local governments eligible under the definition of Local Government-Alternative 2 receive at least the minimum allocation through the Local Government-Alternative 1 formula. The Local Government-

⁵ 42 U.S.C. 17151(3)(A).

⁶ 42 U.S.C. 17151(3)(B).

⁷ 42 U.S.C. 17153(b).

Alternative 2 formula apportions the funding to each local government eligible under the definition of Local Government-Alternative 2 on a pro rata basis via the weighted factors set in the formula. The total allocation for each local government eligible under the definition Local Government-Alternative 2 is equal to its allocation from the Local Government-Alternative 1 formula plus its allocation from the Local Government-Alternative 2 formula. For more detail on the local government allocation formula, see Appendix A of this notice.

III. EECBG State Allocation Formula

Under section 541(6) of EISA, the term ‘State’ means: a state; the District of Columbia; the Commonwealth of Puerto Rico; and any other territory or possession of the United States.⁸

Formula Factors. EISA directs that, of the amount allocated for states, DOE shall provide not less than 1.25% to each state, and the remainder distributed among the states based on an allocation formula established by the Department that takes into account the population of each state and any other criteria that DOE determines to be appropriate.⁹

The state allocation formula established by DOE for the EECBG Program uses the following three equally weighted factors:

1. The total population for the state weighted at 33.33 %;
2. The remaining population of the state after subtracting the populations of all eligible local governments within the state weighted at 33.33 %; and
3. Total state energy consumption, except for consumption in the industrial sector, weighted at 33.33%.

Funding Allocation Design: State—28%. Eligible states receive 28% of the grant funding available through section 40552(b) of the IIJA. The formula provides a minimum funding allocation for states of 1.25% of the total state allocation as mentioned previously. The formula distributes the minimum amount of funding to each eligible state and then distributes the remaining funds pro rata via

⁸ 42 U.S.C. 17151(6).

⁹ 42 U.S.C. 17153(c).

the three weighted factors set in the formula. For more detail on the state allocation formula, see Appendix B of this notice.

IV. EECBG Tribal Allocation Formula

As defined by section 541(4) of EISA, “‘Indian tribe’ has the meaning given the term in the Indian Self-Determination and Education Assistance Act.”¹⁰ The Indian Self-Determination and Education Assistance Act states that the term means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

Formula Factors. Section 543(d) of the EISA directs DOE to establish a formula to distribute grant funding to eligible Indian tribes taking into account any factors that the Secretary determines to be appropriate.¹¹ The Tribal allocation formula established by DOE for the EECBG Program uses the following factor: Tribal population weighted at 100%.

Funding Allocation Design: Tribal—2%. Eligible Indian tribes receive 2% of the grant funding available through section 40552(b) of the IIJA. The formula establishes a minimum level of funding at \$10,000 and allocates \$10,000 to each eligible Indian tribe. The formula then distributes the remaining funds via the weighted factor set in the formula on a pro rata basis to all eligible Indian tribes. For more detail on the Tribal allocation formula, see Appendix C of this notice.

Appendix A. EECBG Local Government Allocation Formula

Local Government-Alternative 1:

¹⁰ 42 U.S.C. 17151(4), referencing 25 U.S.C. 5304(e).

¹¹ 42 U.S.C. 17153(d).

$$A_{i1} = m + (F \cdot l_1 - n_1 \cdot m) \cdot \left((1 - d) \cdot \frac{E_i}{\sum E_i} + d \cdot \frac{D_i}{\sum D_i} \right)$$

Local Government-Alternative 2:

$$A_{i2} = F \cdot l_2 \cdot \left((1 - d) \cdot \frac{E_i}{\sum E_i} + d \cdot \frac{D_i}{\sum D_i} \right)$$

A_{i1} = Total amount of funding allocated to local government i under definition Local Government-Alternative 1

A_{i2} = Total amount of funding allocated to local government i under definition Local Government-Alternative 2

m = \$75,000 (the minimum amount of funding each local government must receive)

F = Total amount of EECBG Program funding allocated to grants

l_1 = 0.34 (percentage of total funding available to local governments eligible under definition Local Government-Alternative 1)

l_2 = 0.34 (percentage of total funding available to local governments eligible under definition Local Government-Alternative 2)

n_1 = Number of eligible local governments

n_2 = Number of eligible local governments under definition Local Government-Alternative 2 only

E_i = Population served by local government i based on U.S. Census Bureau, Decennial Census Redistricting Data (Pub. L. 94-171), 2020

D_i = Daytime population of local government i based on U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2020

d = 29.75% (daytime population coefficient weighting scheme based on an estimated 50 working hours out of a total 168 hours in a week (50/168 is equal to approximately 29.75%). Working hours are used because daytime population estimates are based on working commutes.)

$A_{i1} + A_{i2}$ = The total allocation for each local government eligible under the definition Local Government Alternative 2

Notes:

- EISA directs DOE to include considerations of “daytime population” in the local government allocation formula.¹² The concept of the daytime population refers to the number of people who are present in an area during normal business hours, including workers. This contrasts with the “resident” population present during the evening and nighttime hours. The U.S. Census Bureau creates estimates of daytime population by adding the total number of workers working in the jurisdiction minus workers who live and work in the same jurisdiction with the total resident population.¹³ The U.S. Census Bureau estimate of daytime population adjusts only for work-related travel, i.e., in commuters to an area and out commuters from an area. Data necessary to adjust for shopping, school, recreation, tourism, etc. is not available.
- For counties, all population figures are adjusted to reflect only the balance of their population excluding the populations of any eligible entities therein. In determining county balance populations, DOE identified a number of cities with geographic boundaries that cross the borders of multiple counties. In calculating county balance populations for those counties which contain only a part of an eligible city, DOE subtracted the portion of the eligible city’s population living within that county.

¹² See 42 U.S.C. 17153(b).

¹³ U.S. Census Bureau, Calculating Commuter-Adjusted Population Estimates, *available at* Calculating Commuter-Adjusted Population Estimates (census.gov).

Appendix B. EECBG State Allocation Formula

$$A_i = m + (F \cdot s - n \cdot m) \cdot \left(\frac{1}{3} \cdot \frac{E_i}{\sum E_i} + \frac{1}{3} \cdot \frac{B_i}{\sum B_i} + \frac{1}{3} \cdot \frac{C_i}{\sum C_i} \right)$$

A_i = Total amount of funding allocated to state i

$m = 0.0125 * s * F$ (minimum amount of funding each state must receive)

F = Total amount of EECBG Program funding allocated to grants

$s = 0.28$ (percentage of total funding available to eligible states)

n = Number of states

E_i = Total population for state i based on U.S. Census Bureau, Decennial Census Redistricting Data (Pub. L. 94-171), 2020; U.S. Census Bureau, 2020 Census of American Samoa; U.S. Census Bureau, 2020 Census of the Commonwealth of the Northern Mariana Islands; U.S. Census Bureau, 2020 Census of Guam; U.S. Census Bureau, 2020 Census of the United States Virgin Islands.

B_i = Balance population for State i after subtracting the populations of eligible local governments in State i based U.S. Census Bureau, Decennial Census Redistricting Data (Pub. L. 94-171), 2020; U.S. Census Bureau, 2020 Census of American Samoa; U.S. Census Bureau, 2020 Census of the Commonwealth of the Northern Mariana Islands; U.S. Census Bureau, 2020 Census of Guam; U.S. Census Bureau, 2020 Census of the United States Virgin Islands.

C_i = Energy consumption less the industrial sector's consumption for State i based on U.S. Energy Information Administration, Total Energy Consumption Estimates by End-Use Sector, 2019 and U.S. Energy Information Administration, International, 2019 (for U.S. territories)

Notes:

- For those states that do not have any eligible local governments their balance population (B_i) is equal to their total population (E_i)
- Energy consumption data for the industrial sector is not available for the U.S. territories

Appendix C. EECBG Tribal Allocation Formula

$$A_i = m + (F \cdot t - n \cdot m) \cdot \frac{E_i}{\sum E_i}$$

A_i = Total amount of funding allocated to Indian tribe i

m = \$10,000 (minimum funding each Indian tribe must receive)

F = Total amount of EECBG Program funding allocated to grants

t = 0.02 (percentage of total funding available to eligible Indian tribes)

n = number of Indian tribes

E_i = Tribal population based on a combination of U.S. Census Bureau, Decennial Census Redistricting Data (Pub. L. 94-171), 2020 and American Community Survey 5-year Estimates, 2020 and/or self-reported Tribal enrollment data

Signing Authority

This document of the Department of Energy was signed on June 19, 2022, by Kelly Speakes-Backman, Principal Deputy Assistant Secretary for Energy Efficiency and Renewable Energy, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document

of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC on June 24, 2022.

Treena V. Garrett,
Federal Register Liaison Officer,
U.S. Department of Energy.

[FR Doc. 2022-13859 Filed: 6/28/2022 8:45 am; Publication Date: 6/29/2022]